

**GREATER NEW ORLEANS
SPORTS FOUNDATION**

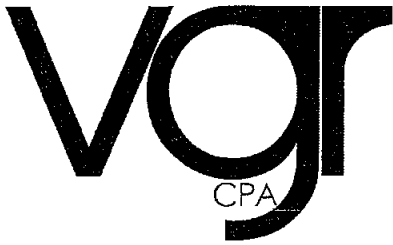
**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2013



TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2013	4
STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2013	5
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2013	6
NOTES TO THE FINANCIAL STATEMENTS	7
<u>SUPPLEMENTAL INFORMATION</u>	
SCHEDULE OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2013	16
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	17



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana

I have audited the accompanying financial statements of the **Greater New Orleans Sports Foundation (the Foundation)**, which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

Auditor's Responsibility, Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Foundation** as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenditures is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, I have also issued my report dated June 20, 2014 on my consideration of **the Foundation's** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **the Foundation's** internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'VGR', followed by a stylized flourish.

VGR, CPA
CERTIFIED PUBLIC ACCOUNTANT
New Orleans, Louisiana

June 20, 2014

GREATER NEW ORLEANS SPORTS FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013

ASSETS

Cash and cash equivalents (NOTE 2 and 6)	\$ 2,916,687
Receivables (NOTE 4)	224,945
Due from affiliates (NOTE 8)	180,008
Prepaid expense	29,858
Office furniture and equipment, net of accumulated depreciation of \$207,924 (NOTES 2 and 3)	<u>29,615</u>
Total assets	<u>\$ 3,381,113</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 165,233
Due to affiliate (NOTE 8)	223,537
Deferred revenue	<u>34,280</u>
Total liabilities	<u>423,050</u>
Net Assets (NOTE 2):	
Unrestricted net assets	<u>2,958,063</u>
Total net assets	<u>2,958,063</u>
Total liabilities and net assets	<u>\$ 3,381,113</u>

The accompanying notes are an integral part of these financial statements.

GREATER NEW ORLEANS SPORTS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Revenues and Support

Grants and contracts (NOTE 9)	\$ 1,443,364
Management fees (NOTE 8)	1,350,000
Membership revenues	300,958
Event revenues	388,544
NFL Luncheon	5,441
Interest income	1,183
Sponsorships	175,050
Miscellaneous	<u>1,521</u>

Total revenues and other support	<u>3,666,061</u>
----------------------------------	------------------

Expenses

Support Services	791,196
Program Services	<u>1,467,189</u>

Total expenses	<u>2,258,385</u>
----------------	------------------

Change in net assets	1,407,676
----------------------	-----------

Net assets, beginning of year	<u>1,550,386</u>
-------------------------------	------------------

Ending net assets	<u>\$ 2,958,063</u>
-------------------	---------------------

The accompanying notes are an integral part of the financial statements.

GREATER NEW ORLEANS SPORTS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

Cash Flows From Operating Activities

Change in net assets	\$ 1,407,676
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	15,616
Decrease in receivables	113,789
Increase in due from affiliate	(30,910)
Increase in prepaid expenses	(5,074)
Increase in accounts payable	46,282
Increase in due to affiliate	49,937
Increase in deferred revenue	<u>29,630</u>
Net cash provided by operating activities	<u>1,626,946</u>

Cash Flows From Investing Activities

Purchase of fixed assets	<u>(6,264)</u>
Net cash used in investing activities	<u>(6,264)</u>
Net increase in cash and equivalents	1,620,682
Cash - January 1, 2013	<u>1,296,005</u>
Cash - December 31, 2013	<u><u>\$ 2,916,687</u></u>

See accompanying Independent Auditor's Report

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION:

The **Greater New Orleans Sports Foundation (the Foundation)** was formed on August 2, 1988 as a non-profit organization to bring together by association, sports minded people who will devote a portion of their time, energy and financial support to the development of sport tourism and related industries in the City of New Orleans and surrounding regions. Also, **the Foundation** was organized to provide for the exchange among members of the organization such information, ideas and support necessary to attract and assist in the coordination and production of sports events in the New Orleans area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Reporting

The Foundation has adopted the provisions of FASB ASC Topic 958, Presentation of Financial Statements, and reports its financial position and activities according to three classes of net assets according to externally (donor) imposed restrictions.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Basis of Reporting, Continued

A description of the three (3) net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of **the Foundation** are included in this category. **The Foundation** has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of **the Foundation**, and therefore, **the Foundation's** policy is to record these net assets as unrestricted.

Temporarily restricted net assets include realized gains and losses, investment income and gifts, and appropriations and contributions for which donor-imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions.

At December 31, 2013, **the Foundation** did not have any temporarily or permanently restricted net assets.

Fixed Assets

The Foundation capitalizes all fixed asset purchases with a unit cost greater than \$500 and a useful life greater than one year. Fixed assets are stated at cost if purchased, or at fair market value at the date of the gift, if donated. Depreciation on office furniture and equipment is provided using the straight-line method over the estimated useful life of the equipment, which is 5 years.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Cash and Cash Equivalents

Cash consists solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows.

Fair Value

The Foundation adopted certain provisions of Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements which are codified in FASB ASC Topic 820. ASC Topic 820 refines the definition of fair value, established specific requirements as well as guidelines for a consistent framework to measure fair value, and expands disclosure requirements about fair value measurements. Further ASC Topic 820 require **the Foundation** to maximize the use of observable market inputs, minimize the use of unobservable market inputs, and disclose in the form of an outlined hierarchy, the details of such fair value measurements.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefitted.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - FIXED ASSETS:

Changes in office furniture and equipment and leasehold improvements during the year ended December 31, 2013 were as follows:

<u>Description</u>	<u>Balance January 1, 2013</u>	<u>Additions (Deletions)</u>	<u>Accumulated Depreciation</u>	<u>Balance December 31, 2013</u>
Office furniture and equipment	\$ <u>38,967</u>	\$ <u>6,264</u>	\$ <u>(15,616)</u>	\$ <u>29,615</u>
Total	\$ <u>38,967</u>	\$ <u>6,264</u>	\$ <u>(15,616)</u>	\$ <u>29,615</u>

Depreciation expense for the year ended December 31, 2013 totaled \$15,616.

NOTE 4 - RECEIVABLES:

For the year ended December 31, 2013, amounts included in receivables were funds due to **the Foundation** from state grants and contracts, as well as funds due from memberships, and other sources. Receivables for the year ended December 31, 2013 totaled \$224,945.

NOTE 5 - INCOME TAXES:

The Foundation is exempt from corporate income taxes under Section 501(c)(4) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements. Should **the Foundation's** tax status be challenged in the future, the 2010, 2011, and 2012 tax years are open for examination by the IRS.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - CONCENTRATION OF CREDIT RISK:

Financial instruments that potentially subject **the Foundation** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. At December 31, 2013, **the Foundation** had cash and cash equivalents in the bank totaling \$2,928,985 as follows:

Checking Account	\$ 118,116
Savings Account	227,120
Interest-bearing demand deposits	749,991
Money market account	<u>1,833,758</u>
Total	<u>\$ 2,928,985</u>

These deposits are stated at cost, which approximates market. At December 31, 2013, **the Foundation** had \$2,928,985 in deposits. Interest and non-interest bearing deposits are secured from risk by \$250,000 of federal deposit insurance. As of December 31, 2013, **the Foundation's** deposits were in excess of insured limits by \$2,678,985.

NOTE 7 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES:

In accordance with FASB ASC Topic 820 fair value is defined as the price that **the Foundation** would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the asset or liability.

ASC Topic 820 established a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to established classification of fair value measurements for disclosure purposes.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - FAIR VALUE MEASUREMENTS OF
FINANCIAL ASSETS AND LIABILITIES, CONTINUED:

Various inputs are used in determining the value of **the Foundation's** assets or liabilities. The inputs are summarized in the three broad levels listed below:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any market activity. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. **The Foundation's** assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the assets/liabilities. All assets/liabilities are considered Level 1 assets/liabilities.

The carrying amounts of the assets and the liabilities reported in the Statement of Financial Position approximate fair value because of the terms and relatively short maturity of those financial instruments.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - RELATED PARTY TRANSACTION / MANAGEMENT FEES
DUE TO / DUE FROM AFFILIATE / NON-MONETARY TRANSACTIONS:

New Orleans Bowl / Non-Monetary Transactions

Certain board members of **the Foundation** are also board members of the New Orleans Bowl, Inc. **The Foundation** has contracted with the New Orleans Bowl (a non-profit corporation), to manage and handle the administrative functions of hosting the New Orleans Bowl. **The Foundation** provides office space, meeting space, utilities, and the use of all office furniture and equipment, as well as providing any and all personnel needed to host the New Orleans Bowl. **The Foundation** is also due certain expense reimbursements from the New Orleans Bowl in conjunction with game management. The amount due from the New Orleans Bowl at December 31, 2013 totaled \$109,878. The New Orleans Bowl also provided **the Foundation** with tickets valued at \$300,000 for services rendered to the New Orleans Bowl for management fees. In addition to the tickets provided in conjunction with game management, **the Foundation** also purchased New Orleans Bowl tickets for their members valued at \$179,080. The total balance for the purchased tickets remains outstanding at year end December 31, 2013 and is recorded as due to affiliate in the Statement of Financial Position.

The New Orleans Super Bowl XLVII Host Committee

Certain board members of **the Foundation** are also board members of the Super Bowl, Inc. **The Foundation** has contracted with the Super Bowl (a non-profit corporation), to manage and handle the administrative functions of hosting the Super Bowl. **The Foundation** provides office space, meeting space, utilities, and the use of all office furniture and equipment, as well as providing any and all personnel needed to host the Super Bowl. **The Foundation** is also due certain expense reimbursements from the Super Bowl in conjunction with game management. The amount due from the Super Bowl at December 31, 2013 totaled \$410.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - RELATED PARTY TRANSACTION / MANAGEMENT FEES
DUE TO / DUE FROM AFFILIATE / NON-MONETARY TRANSACTIONS,
CONTINUED:

The 2014 NBA All-Star Host Committee

Certain board members of **the Foundation** are also board members of the NBA All-Star Host Committee. **The Foundation** has contracted with the NBA All-Star Host Committee (a non-profit corporation), to manage and handle the administrative functions of hosting the 2014 NBA All-Star game. **The Foundation** provides office space, meeting space, utilities, and the use of all office furniture and equipment, as well as providing any and all personnel needed to host the 2014 NBA All-Star game. **The Foundation** is also due certain expense reimbursements from the NBA All-Star Host Committee in conjunction with game management. The amount due from the 2014 NBA All-Star Host Committee at December 31, 2013 totaled \$69,719.

NOTE 9 - GRANTS AND CONTRACTS:

The Foundation is the recipient of grants and contracts from various sources in the amount of \$1,443,364. The grants and contracts were primarily utilized to support the activities of the **Greater New Orleans Sports Foundation**.

The Foundation was primarily funded through the following grants and contracts for the year ended December 31, 2013.

<u>Funding Source</u>	<u>Revenue</u>
Grant revenues:	
State of Louisiana Department of Culture, Recreation, and Tourism	\$ <u>394,050</u>
Total grant revenues	<u>394,050</u>
Contract revenues:	
State of Louisiana Department of the Treasury – New Orleans Fairgrounds Slots Tax	<u>1,049,314</u>
Total contact revenues	<u>1,094,314</u>
Total	\$ <u>1,443,364</u>

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 10 - COMMITMENTS AND CONTINGENCIES:

Grants and Contracts

The Foundation is the recipient of grant and contracts from various sources. The grants are governed by various guidelines, and regulations. The administration of the programs and activities funded by the grants and contracts are under the control and administration of **the Foundation** and are subject to audit and/or review by the applicable funding sources. Any funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

Operating Lease

The Foundation leases office space under the terms of a non-cancelable lease. The term of the lease is seven years beginning June 1, 2012 and ending on May 31, 2018. Future minimum lease payments under the operating lease as of December 31, 2013 are:

Year Ending December 31:

2014	\$ 66,927
2015	67,930
2016	68,950
2017	69,984
2018	<u>29,341</u>
Total	\$ <u>303,132</u>

NOTE 11 - SUBSEQUENT EVENTS:

FASB Accounting Standards Codifications Topic 855-10, "Subsequent Events" requires the disclosure of the date through which **the Foundation** has evaluated subsequent events and the reason for selecting that date. **The Foundation** evaluated subsequent events from January 1, 2014 to June 20, 2014, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

GREATER NEW ORLEANS SPORTS FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Support Services	Program Services	Total Expenses
Salaries and related benefits	\$ 354,220	\$ 1,062,660	\$ 1,416,880
Insurance	25,345	-	25,345
Depreciation	15,616	-	15,616
Rent	16,485	49,453	65,938
Repair and maintenance contracts	13,694	-	13,694
Supplies	15,557	-	15,557
Computer	14,028	-	14,028
Telephone	11,030	33,092	44,122
Postage	3,432	-	3,432
Ground transportation	-	11,416	11,416
Automobile lease payments	10,511	-	10,511
Membership events	-	179,080	179,080
Internet services	16,144	-	16,144
Bank fees	9,814	-	9,814
Miscellaneous	3,234	-	3,234
Printing	4,131	-	4,131
Professional services	28,104	10,020	38,124
Media and promotion	-	106,430	106,430
Conference and meeting	4,739	-	4,739
Travel	18,897	-	18,897
Dues/Subscriptions	6,675	-	6,675
Donations	8,695	-	8,695
Volunteer expenses	-	15,038	15,038
Sporting event expenses	192,349	-	192,349
Anniversary expense	18,496	-	18,496
Total functional expenses	<u>\$ 791,196</u>	<u>\$ 1,467,189</u>	<u>\$ 2,258,385</u>

See Accompanying Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **Greater New Orleans Sports Foundation (the Foundation)** which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated June 20, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **the Foundation's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the Foundation's** internal control. Accordingly, I do not express an opinion on the effectiveness of **the Foundation's** internal control.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

(CONTINUED)

Internal Control Over Financial Reporting, Continued

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

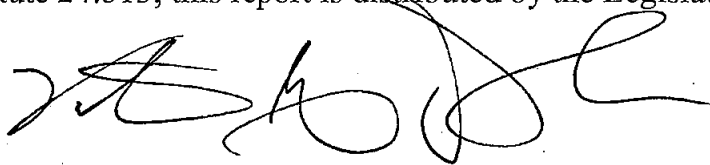
As part of obtaining reasonable assurance about whether **the Foundation's** financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

(CONTINUED)

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to be 'VGR', with a large, stylized flourish extending to the right.

VGR, CPA
CERTIFIED PUBLIC ACCOUNTANT
New Orleans, Louisiana

June 20, 2014